

**Baldwin Hills Community Standards District (CSD)
Meeting of the Multiple Agency Coordination Committee (MACC)
Minutes: 11/4/2010**

A. MACC AGENCIES (*absent)

COUNTY OF LOSANGELES

Department of Regional Planning (DRP)

Larry Jaramillo, Land Development Coordinating Center

Leon Freeman, Zoning Enforcement

Iris Chi, Zoning Enforcement

Los Angeles County Fire Department (LACoFD)

Glen Pitts, Fire Prevention Division, Petroleum Chemical Unit

Kenji Mayeda, Health Hazardous Materials Division, CalARP Program

Department of Public Health (DPH)

Carrie Nagy, Toxics Epidemiology Program

Evenor Masis, Environmental Hygiene

Department of Public Works (DPW)

Steve Burger, Land Development Division

CULVER CITY FIRE DEPARTMENT (CCFD)*

Richard Gallagher, Fire Marshall

STATE OF CALIFORNIA

Department of Conservation

John Huff, Division of Oil, Gas and Geothermal Resources (DOGGR)

Ali Khan, Division of Oil, Gas and Geothermal Resources (DOGGR)

Department of Justice

Laurie Pearlman, Office of the Attorney General

South Coast Air Quality Management District (SCAQMD)

Edwin Pupka, Engineering and Compliance Office

Regional Water Quality Control Board (RWQCB)*

Karly Katona, Supervisor Mark Ridley-Thomas' office

B. AGENCY UPDATES

DOGGR

Well Casings – Casing (steel pipe cemented in place) is required for injection wells. Specifications for casings are provided and monitored by DOGGR. Field rules specify the amount of cement behind the casing which is documented in the Cement Bond Log and an engineer will go to the field to inspect work at critical points during well construction. PXP continuously monitors well pressures and the

pressures are reviewed by DOGGR. Pressures are monitored to assure the integrity of the well casing. Casings are checked on a periodic basis to verify their structural integrity.

Fracking – The term fracking describes a wide range of processes in the petroleum industry. The process that is applicable to the Inglewood Oil Field relates to the injection process wherein water injected at too high a pressure can cause surrounding rock to fracture. This pressure is known as the fracture gradient. PXP is prohibited from injecting at pressures exceeding the fracture gradient. A monthly report called the Production and Injection Report, is required of PXP and is made available on DOGGR's website. If levels are found to be higher than the fracture gradient, DOGGR orders a stop to operations to make necessary changes.

The fracking process that causes problems in gas fields is not the same as in oil fields. Processes for natural gas extraction and oil extraction are different. Gas field fracking if employed in an oil field, would inhibit operations. At Inglewood, PXP is injecting water and no chemicals are added to the water. Injection pushes oil toward a production well where it is pumped to the surface and recovered or produced. Of what is produced, roughly 95% is water and 5% is oil. Due to regulations, injection water may not be disposed or dumped at the surface; therefore the water recovered with the oil remains in a closed system where the two are separated and the water is then re-injected through an injection well. California is very serious about monitoring injection wells, which are also regulated by the EPA (though California standards are higher).

Subsidence – Injection is necessary because it produces more oil and mitigates subsidence by replacing fluid back into the reservoir at roughly the same rate as extraction. The amount of water injected is subject to the allowable pressure without exceeding the fracture gradient. An event where the fracture gradient is exceeded is correctable. If this is found to have occurred, production is stopped to verify if the exceedence occurred due to a mechanical malfunction or was caused by a physical formation of rock underground. Over 60,000 injection wells in California abide by the California EPA standards for underground injection control (UIC).

DPW/DOGGR

Ground Movement Monitoring Plan – The Ground Movement Monitoring Plan considers an analysis of past subsidence. DOGGR is still working out details with DPW for ongoing monitoring however, PXP has started with ground measurements using satellite and GPS technology. The program includes monitoring locations outside of the oil field. The results of the monitoring will be presented in a map form.

DPW

Recycling Plan – DPW will confirm if there are any comments before final approval is issued.

DPW/DRP

Water Management Plan – Initial review has been completed and it is anticipated that PXP will submit a revision in the next couple of weeks.

SCAQMD/DRP

Application for New Flare – PXP submitted the application to SCAQMD in March 2009 under an SCAQMD instituted a moratorium. The moratorium has since been lifted and SCAQMD is processing a backlog of permit applications. The new flare proposed will be more efficient and noise reducing and is larger than the existing flare. There has been discussion as to whether additional CEQA review would be needed. DRP will meet with SCAQMD to discuss the application.

LACoFD/DRP

SIMQAP – LACoFD has no further comment. Additional DRP comments were provided and the SIMQAP is pending the receipt of final revisions.

LACoFD

Annual Hazardous Materials Business Plan - LACoFD anticipates that PXP will be submitting their annual Business Plan (Hazardous Materials Inventory) by the end of January.

DRP

Construction Treatment Plan – Pending DRP approval.

Unused Abandoned Equipment Removal Plan - Pending DRP approval.

Special Status Species Habitat Protection Plan – Pending DRP approval.

Landscaping Plan – PXP is making the final revisions and is anticipating resubmitting to DRP before Thanksgiving.

2011 Annual Drilling Plan – PXP is proposing to drill 45 new wells and 8 re-drills in 2011.

C. OPEN DISCUSSION*Brush Fire on 8/20/2010 (LACoFD, CCFD)*

A brush fire started in an area outside of the oil field boundaries. It was reported by an area resident as well as a PXP operator who both called 911. LACoFD and CCFD responded. The fire burned a small area and was determined to have been caused when a squirrel traversing a power line was electrocuted. Brush clearance in the area is prohibited due to sensitive plant species and there are no wells or other facilities in the near proximity.

Noise and Vibration Monitoring (DPH)

DPH reviewed the mathematical models and findings of PXP's noise experts and approved the locations of sensitive receptors in the area for the purposes of establishing the baseline levels. DPH continues to monitor independently.

Culver City Dog Park Closure (DOGGR)

A well abandoned by Atlantic Oil Company in the early 70's was found to be leaking water and a low level of methane gas. The leak was later determined not to pose a public health risk. DOGGR issued a formal order to PXP to stop injections within a ¼ mile radius of the leaking well while an investigation took place to see if a cause could be attributed to PXP's injection activity. At this time DOGGR does not know if the leak is related to injection activities at the PXP facilities. An appeal hearing for this order will be held in January and the stop work order will remain in place until the matter is heard. The existence of the abandon wells in the dog park was known and has been previously documented. The integrity of the other three abandoned wells in that area is being checked at this time. PXP, as an agent for Atlantic Oil Company, will be performing the work to properly abandon the leaking well to the current DOGGR standards. It won't be known until the re-abandonment of the well is complete if the plug will be successful.

Property damage complaint dated 8/3/2010 (DOGGR, DPW)

DOGGR issued a public report concluding that there is no indication the cracked driveway reported by a Culver City resident is related to oil and gas production.

Water in Edison electrical vaults (DRP)

DRP was notified by email on October 4, 2010 about a localized electrical outage in Windsor Hills. The cause of the outage was due to a broken cable rather than the flooding of the vault. Edison confirmed that flooding is generally attributable to recent heavy rains and/or irrigation runoff from nearby residences.

D. SEMI-ANNUAL NOTIFICATION REGARDING OMBUDSPERSON (PXP)

Lisa Paillet, Ombudsperson
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Los Angeles, CA 90056
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lpaillet@pxp.com

E. ANNOUNCEMENTS

Tentative schedule for next MACC meeting will be in January or February.